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Message Text

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PAGE 01 KUWAIT 03247 081342Z

67
ACTION NEA-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-10 PA-03 RSC-01 PRS-01 SS-15 USIA-15

AID-20 COME-00 EB-11 FRB-02 TRSE-00 XMB-07 OPIC-12

CIEP-02 LAB-06 SIL-01 OMB-01 INT-08 NIC-01 SSO-00

DRC-01 /153 W
---------- 043541
R 081312Z SEP 73
FM AMEMBASSY KUWAIT
TO SECSTATE WASHDC 7604
INFO AMEMBASSY BEIRUT

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BEIRUT FOR REGIONAL LABATT

E.O. 11652: GDS
TAGS: ELAB PINS KU
SUBJ: STRIKE IMMINENT AT AMINOIL

1. MANAGER AMINOIL INFORMED AMBASSADOR SATURDAY, SEPT 8, COMPANY PREPARING SHUT DOWN REFINERY, LOADING AND OTHER OPERATIONS BY END OF DAY IN ANTICIPATION STRIKE BY AMINOIL UNION, SUNDAY SEPT 9. OSTENSIBLE REASON FOR STRIKE IS THAT COMPANY VIOLATING AUG 23 AGREEMENT REGARDING RECENTLY NEGOTIATED WAGE/ALLOWANCE SETTLEMENT. IN ADDITION UNION HAS CHARGED GOK WITH SIDING WITH COMPANY.

2. AMINOIL MANAGEMENT HAS TOLD WORKERS THEY MAY COME TO WORK IF THEY CHOOSE AND THOSE WHO DO SHOW UP WILL BE PAID. BECAUSE OF SECURITY CONSIDERATION, HOWEVER, DECISION WHETHER TO WORK BEING LEFT UP TO INDIVIDUAL EMPLOYEES. FYI IN RECENT WEEKS AS BITTER UNION COMPAIGN AGAINST COMPANY HAS INTENSIFIED SOME WORKERS HAVE BEEN PHYSICALLY THREATENED BY UNION HACKS. END FYI. MANAGEMENT
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BELIEVES IT COULD OPERATE WITH RELATIVELY FEW WORKERS AT LEAST

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TEMPORARILY.

3. KEY FACTOR IS WHETHER GOK CAN ASSURE SECURITY. GOK WOULD DEPLORE STRIKE BUT ESSENTIALLY BEDUOIN POLICE AND SECURITY FORCES MAY BE UNABLE OR UNWILLING PROVIDE EFFECTIVE SECURITY PARTICULARLY SINCE IT WOULD REQUIRE OPEN OPPOSITION AGAINST BEDOUIN WORKERS WHO HAVE IMAGE OF UNDERDOG AGAINST AMERICAN OIL COMPANY.

4. COMMENT: AFTER PROTRACTED NEGOTIATIONS, AMINOIL AND UNION RECENTLY REACHED AGREEMENT ON PACKAGE OF BREAD-AND-BUTTER MONEY ISSUES, WITH AMINOIL GIVING IN ON ALMOST ALL POINTS. AS A RESULT EXPECTED LATE AUGUST STRIKE WAS AVERTED. IN SHOW OF GOOD FAITH AMINOIL DURING PAST WEEK NOTED MINISTRY OF LABOR'S PUBLISHED VERSION OF AGREED WAGE SCHEDULE WAS OFF BY SOME $220,000 TO COMPANY'S DETRIMENT, BUT AMINOIL AGREED PAY AMOUNT IN EFFORT MAINTAIN LABOR HARMONY.

5. FACT THAT UNION HAS RESUMED VITUPERATIVE ATTACKS WITH VEHEMENT PRESS CAMPAIGN AND EIGHT PAGE MEMORANDUM TO GOK FULL OF WHAT AMINOIL MANAGER CALLS OUTRAGEOUS LIES, TENDS CONFIRM VIEW THAT UNDERLYING PROBLEM IS POLITICAL. MAY BE COMPETING GROUPS WITHIN UNION ITSELF VYING FOR POWER. UNTIL NOW GOK HAS BACKED UNION CONTINUALLY IN EFFORT PREVENT STRIKE. GOK PARTICULARLY DESIROUS CONTAINING PROBLEM OF POSSIBLE STRIKE TO AMINOIL LEST IDEA TAKE HOLD AT KOC OR KUWAITI-OWNED COMPANIES SUCH AS KNPC OR KCFC. POSSIBLE, THEREFORE, GOK MAY DISSAUDE UNION AT ELEVENTH HOUR, BUT CURRENTLY OUTLOOK IS DIM.

6. AIRGRAM WITH BACKGROUND TO CURRENT SITUATION FOLLOWS.
STOLTZFUS

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: LABOR STRIKES, LABOR UNIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 08 SEP 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973KUWAIT03247
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: KUWAIT
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730947/aaaabiii.tel
Line Count: 91
Locator: TEXT ON-LINE
Office: ACTION NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 03 JAN 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <03-Jan-2002 by willialc>; APPROVED <14-Jan-2002 by golinofr>
Review Markings:

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30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: STRIKE IMMINENT AT AMINOIL
TAGS: ELAB, PINS, KU, AMINOIL CO
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

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